

BACKGROUND INFORMATION FOR THE MOTION ON PENSION FUND INVESTMENTS

Date	31 March 2001	31 March 2004	31 March 2007	31 March 2009 Actuarial Estimate	30 September 2009 Estimate
	Valuation	Valuation	Valuation		
Assets	287,700,000	257,000,000	407,500,000	338,044,000	412,000,000
Liabilities	284,400,000	328,000,000	480,500,000	575,563,000	575,600,000
Surplus/(Deficit)	3,300,000	(71,000,000)	(73,000,000)	(237,519,000)	(163,600,000)
Funding Level	101%	78%	85%	59%	72%
Bond Yield Basis for Bond Yield	5.25% 50% Long Dated Gilts, 50% Corporate Bonds	4.90% 50% Long Dated Gilts, 50% Corporate Bonds	4.50% Long Dated & Index Linked Gilts	4.60% Long Dated & Index Linked Gilts	4.60% Long Dated & Index Linked Gilts
Funding Basis Discount Rate	6.0%	6.5%	6.1%	6.1%	6.1%
Employers' Contribution Rate	12.0%	20.5%	20.2%	20.2%	20.2%
Employees' Contribution Rate	6.0%	6.0%	6.0%	6.5%*	6.5%*

* This is an average for the scheme, based on the variable contribution rates for employees introduced in April 2008

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Extract from the Investment Committee's Statement of Investment Principles (required under LGPS regulations)

6 *Social, Environmental and Ethical Policy*

6.1 *The Investment Committee has considered socially responsible investment in the context of its legal and fiduciary duties and obligations. The Committee takes the view that non-financial factors should not drive the investment process at the cost of financial return on the Fund. The Fund does not actively disinvest in companies for ethical, social or environmental reasons as this may impact on fund returns and would not accord with its principal objectives. The Committee does not have the relevant expertise to make frequent assessment of the financial impact of companies' activities. To that extent, the Committee maintains a policy of non-interference with the day-to-day decision making of the investment managers.*